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ABSTRACT

The development theory for progress in the countries of the Third World must be based on the aspirations of the common people; the majority poor. The poor cannot simply be provided with resources; they must also be psychologically, socially, and economically empowered. The most important conflict in poor countries is between urban and rural sectors. Governments need to consider such policy options as more efficient reallocation of resources to rural areas and provision of more social services for rural poor. An appropriate strategy is a balanced and purposeful use of human resource development and information systems. An example of a poverty alleviation project is Bangladesh's Upazila Resource Development and Employment Project (URDEP). The basic URDEP concept is to organize family groups; raise their consciousness about their situation and environment; train them to organize with other families; and select livelihoods or trades to be financed through small loans. An extension of such a micro-type project by and for the poor is the maximum use of technology for the most remote villages. One suggestion for intervention to help the poor in the Philippines is the establishment of a People's Foundation, the main task of which would be to spearhead poverty alleviation projects based on guided self-reliance. (17 references) (YLB)

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POVERTY ALLEVIATION: INSIGHTS AND STRATEGIES

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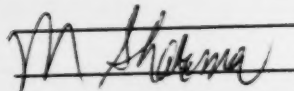
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POVERTY ALLEVIATION: INSIGHTS AND STRATEGIES^{1/}

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1. The greatest numbers in any Third World society are the poor. Any development in these societies therefore must begin and end with the poor. Research and analysis of the state of affairs in poor countries show that the majority of these countries' teeming populations live in the rural areas. Major poverty groups - running across any societal structure in almost any developing and underdeveloped country - include landless and assetless agricultural workers, small-scale subsistence farmers in non-irrigated areas, traditional fishermen, and submarginal folks who live in forests and slums of Asia's vast cities. The numbers are staggering. The World Bank estimates that about 950 million people in the developing world live in conditions of poverty. Over half live in the populous regions of South Asia (over 350 million) and East Asia (about 150 million). Another 280 million absolute poor live in largely rural areas of sub-Sahara Africa. Even in Europe, Middle East, and North Africa regions, as well as the regions of Latin America and the Caribbean, absolute poverty is estimated to afflict 90 million and 80 million respectively.^{2/}

2. Plans and projects, no matter how well designed in theory, have no value unless they can be carried out in practice. An appropriate, authentic, and meaningful plan or project itself must arise from practice. It is easy enough to specify technical goals apart from the actual circumstances, social and environmental, that determine whether such goals are realizable or not. It is my thesis that the contemporary and historical situations of the Third World countries must give rise to a development theory or ideology based on the aspirations by, for and of the common man, the majority poor. The main belief underlying this thesis is that neither government, nor a foreign donor, or the local elite or middle-class professionals can initiate meaningful change in the lives of the poor unless the poor themselves are at the center of this movement for change. The proposed change must of necessity reflect the aspirations of the historically underprivileged and deprived sections of Third World societies - the poor.

WORKING WITH THE POOR

3. It is important therefore that at this juncture of our efforts for a progressive Third World, we must call for a common man's approach. To take part in today's socio-economic change, it is not enough to mouth political slogans or write revolutionary songs; one must fashion the change with people. What this

^{1/} The views expressed are those of the author and do not necessarily represent those of the Asian Development Bank.

^{2/} World Bank, Annual Report 1990, Washington, D.C.

means is that we try, with patience, sincerity and commitment, to reach the poor and make them realize that development cannot be imported and its substance and growth depend on them. Not us. Not government or foreign donors or the elite or professionals. But them. This means that in the planning, implementation, and evaluation of policies, plans, programs, and projects, the targeted beneficiaries themselves should be encouraged, motivated, assisted, enabled, and trained to participate in this process. This is not new. But it is also truthful to say that this is also not simple. It is one of the most complex social phenomena of development: how do we make people-participation meaningful and operative in the most impoverished, illiterate, malnourished, depressed, and often lethargic societies of the Third World?

4. The farmer, the fishermen, the sidewalk vendor, all work hard and for long hours, under sometimes extremely undesirable oppression. In every sense of the word, they are on their own. But the tragedy is that they have not learnt how to maximize this state into self-reliance. They have not learnt how to organize or to maximize their own potentials. They have not been exposed to the rudiments of analyzing their own situation; of understanding the roots of their problems; and of how to determine ways and means of identifying alternatives and options to their crises. They have not been encouraged to apply the tools of planning, organizing, directing, and controlling, to their everyday activities. In other words, they have not been given access to the tools that really fashion development - the tools of self-reliant education and self-directed management. The preference and the decision to help the poor are there. What is lacking, to my mind, are the concrete applications of these preferences and desires into viable, self-governing, and implementable instruments and methods for, by and of the poor themselves.

POVERTY AND POVERTY ALLEVIATION

5. What is poverty? Who are the poor? What do we mean by poverty alleviation? The North-South Institute^{1/}, in analyzing rural poverty in Bangladesh, defines poverty "as a state of economic, social and psychological deprivation occurring among people or countries lacking sufficient ownership, control or access to resources to maintain minimum acceptable standards of living. It represents an exclusionary relationship where individuals or states are denied access to an adequate package of resources." It goes on to explain that at the nation-state level, it reflects, among other things, "a limited natural resource endowment, a weak infrastructural and institutional environment, and the position of Bangladesh within the international community." Then at the level of the individual, the Institute states that poverty "reflects processes which structure the distribution of resources to initiate, maintain or exacerbate inequities among segments of the population." It emphasizes that "differential control of and access to resources is the primary determinant of social and material well-being, and

^{1/} North-South Institute, "Rural Poverty in Bangladesh: A Report to the Like-Minded Group", Ottawa, 1985.

impoverishment is the process of losing this control or access." On the other hand, the World Bank^{1/} prefers to describe poverty as manifesting itself in "low income leading to inadequate food intake, disease prevalence and short life expectancy." It then substantiates this description with statistics on the impoverished state of food production and intake, malnutrition, mortality rate, and low life expectancy in Bangladesh, with substantial disparity existing between male and female and urban and rural areas. The Asian Development Bank^{2/} emphasizes that "poverty is characterized by more than low income and malnutrition; it also means poor health and lack of facilities such as education, housing, safe water and sanitation facilities. People without these basic amenities are barely surviving. Poverty in this context means absolute poverty." It also stresses that in Asia, poverty is still a "rural phenomenon." For the dynamics of poverty are clear. Growing population pressure and accelerated exploitation of natural resources, compounded by often irrelevant and unworkable policies and programs by local elites and local leaders, are feeding these cycles of poverty.

EMPOWERMENT OF THE POOR

6. It is not enough to simply provide the poor with resources such as credit without the adequate supporting institution-building and social support services. The poor must be given the opportunity to determine and to govern their own lives and their own future. One of the appropriate principles is empowerment. Empowerment is the process of enabling the poorest of the poor to identify their goals and opportunities, solve their own problems, and through proper organization, gain access to resources and skills to determine and act on their own future by and for themselves.

7. First, the poor should be psychologically empowered. They need self-confidence and inner strength to awaken from their inertia and to drive off the constant criticism of society and the elite that the poor will always remain poor and should just accept life as it is. Their attitudes must be changed to enable them to have a more dignified and optimistic vision of themselves and of their worth as human beings. The poor are impoverished not only in physical and economic terms, but more so in self-concept. They lack achievement, motivation, self-concept and carry the self-image, mostly pounded by society itself, that they are worthless and hopeless.

8. Second, the poor should be socially empowered. This refers to their knowledge and skills in organizing themselves and in using organized resources and shared goals and actions in securing for themselves the most basic goods and services they need to sustain life. This requires nurturing and development of local

^{1/} World Bank, "Bangladesh: Poverty and Public Expenditures: An Evaluation of the Impact of Selected Government Programs on the Poor", Dhaka, 1989.

^{2/} Bucher, Dieter, "ADB and Its Approach to Poverty Alleviation in the 1990s", ADB, Manila, 1990.

leaders and skills to put together villagers of diverse interests and backgrounds, mobilizing them in terms of common problems and common goals, and acting in unity to resolve these problems. Because of lack of education and training, they are unable to optimize the opportunities available to them in their own environment. Lack of information and data, which are restricted exclusively to the urban affluent and educated elite, deprive the poor of taking advantage of social networks and organizations that can improve their status and promote their access to education and lifelong social development.

9. Third, the poor need economic empowerment. This involves economic and livelihood skills which will enable them to generate their own employment and rural trades and gain access to institutional credit, marketing networks and procurement inputs for village enterprises and small businesses. Given this circumstance, the poor need to share their resources and capabilities. Their access to credit is not a privilege, as claimed by the elite. It is their right to enable them to decent life where they can gain access to an absolute minimum of basic goods and services.

10. It is this empowerment of the poor, through local village institution-building and provision of credit for livelihood, that can uplift the poor beyond their psychological, social and economic barriers and constraints, and drive them on to the realization of their fullest potentials.

DEVELOPMENT THEORIES

11. In the 1950s, the development theory was that poor countries needed net inward transfers of concessional capital (in plain language, aid) and to encourage import substitution. Thus the interventions of government in the market was seen as the solution to the problem of poverty. A western-oriented path to development became the vogue, and dreams of heavy industrialization at the expense of agriculture proliferated. By 1970s, these dreams went up in smoke and there was a shift in development theory from growth to equity. There was so much concern for economic development that banks and professionals began to forget about poverty. The "trickle down" theory of economic benefits, started for and by the top of society trickling down to the vast poor populations of society, became the byword. Human resource development, integrated rural development, basic needs strategy, and productivity were often promoted. Anti-poverty basic needs cum productivity, to use one professional's phrase, became the donor fashion in the mid-1970s. By the beginning of 1980, it was recognized that the trickle down theory did not work. Moreover the oil shocks of 1973-74 and 1979-80 and now in 1990, have again put to hold many of these development thrusts. Questions of adjustment now haunted all countries, no matter what their development pace. The demand is no longer just whether it is growth over equity or a balance, but for high efficiency of the economy. The Soviets and socialist republics have unshackled themselves from their rigid controlled and centralized economies into the liberalizing and pro-market trends of the west. Among poor countries, policy dialoguing has become popular, and now most of them acknowledge the limits of government and

the need for participation by the private sector, of export-directed strategies, and the shift to efficient market economies. The economic dimensions now are being examined in the light of political processes of democracy and human rights. Is it agriculture-led industrialization? or export-led growth? or a mellowing of import-substitution? The aid donors are now concerned with the question: How - or how well - can aid help build institutions, develop human resources and facilitate technological transfer and improvement?^{1/}

POLICY OPTIONS AND STRATEGIES

12. The most important conflict in the poor countries of the world today is not between labor and capital. Nor is it between foreign and national interests. It is between most of the urban and rural sectors. The rural sector possesses most of the low-cost sources of high potentiality; but the urban sector contains most of the articulateness, organization and power. So the urban classes have been able to "win" most of the rounds of the struggle with the countryside; but in so doing they have made the development process needlessly slow and unfair. It is a common phenomenon: the countryside often gets the "priority", but the cities get the resources. As one observer noted, the main thing is: "The philosophers have only interpreted the world, in various ways; the point, however, is to change it."

13. To promote these concepts, Governments may consider a number of policy options. These include:

- (1) More efficient re-allocation and re-distribution of the resources of Development Plans to the rural areas which are most impoverished and contain the largest number of the populace. Governments must enforce the often-repeated desire to reduce biased flows of funds and resources to the affluent urban and educated elite sectors. The poorest of the poor have the right to a bigger share of government allocations, considering that they number the most and are the most dysfunctional. A deliberate shifting or reversal of funds flows is needed: from the urban to the rural.
- (2) Provision of more social services for the poor, particularly in rural areas, such as education, health and sanitation, transportation, communications, and the like.
- (3) Strong political will to actualize the vision of the national leadership to empower the poor to make the quantum leap from day to day survival to a sustained quality of life.

^{1/} Lewis, John, and Kallab, Valeriana, "Development Strategies Reconsidered", Transaction Books, Washington, D.C., 1986.

14. It would seem that one of the strategies which could be considered appropriate involves a balanced and purposeful use of human resource development (HRD) and information systems. HRD enables the poor to gain those attitudes, values, knowledge, and skills that will empower them to organize themselves to gain access to functional literacy, credit, markets and inputs for lifelong self-employment. While information systems will provide them the tools to optimize opportunities in the environment and network those resources that are denied them due to lack of data, statistics and social infrastructures for mobility, mass media, computers, libraries, educational facilities, satellite communications, and the like.

POVERTY ALLEVIATION: THE URDEP APPROACH

15. At this point, allow me to give you a concrete example of a poverty alleviation project in one of the world's most depressed countries, Bangladesh. About 80 per cent of the country's 113 million population live in the rural areas, of which 60 per cent are landless and 25 per cent unemployed. If the poverty criteria is extended to one acre-ownership and under homestead, then 90 per cent of the rural population in some districts fall below the poverty line. The average literacy rate nationwide was 23 per cent in 1989. However, that of the females in the rural areas was only 5.8 per cent. Only about 13 per cent of the labor force is employed for wages; 56 per cent are self-employed as subsistence or cash crop farmers and as unpaid family labor; and the remaining 31 per cent take any work available. For the period 1961-81, the compound rate of the population growth was 2.6 per cent per annum. Not only is it confronted with problems of illiteracy, malnutrition, lack of basic goods and services, it is also annually deluged with floods, drought, and other natural calamities. Bangladesh therefore represents a very tough challenge in poverty alleviation.

16. In 1973, the GOB launched a Self-Employment Credit Scheme for the country's youth. The program was aimed at providing unemployed rural youth small loans to enable them to set up backyard livelihood and trades. They would first be trained, and then required to make some initial capital investment and submit proposals to the designated Bank. In the beginning, things seemed to work well. But over time, there were long delays in the processing and disbursements of loans; eventually in the recovery of loans. The GOB established the Ministry of Youth and Sports (MYS) in 1979, and one of its implementing arms, the Directorate of Youth Development (DYD) continued the Self-Employment Credit Scheme. But by 1987, about 14 years later, the program had trained about 200,000 youths, but of these only 23,000 have been able to secure loans and generate self-employment. The program became mired in red tape, mainly in dealing with the participating banks; lack of motivation among Bank personnel to service small loans versus big loans for big projects, and problems of credibility, efficiency and public support. Today, the Self-Employment Credit Scheme has been virtually scrapped, and integrated into one of the regular service programs of the DYD.

17. In 1987, after reviewing many poverty alleviation programs and approaches, the then MYS Secretary M. Assafuddowiah, designed and implemented the Upazila Resource Development and Employment Project (URDEP) in two pilot projects in Harinakunda and Sadarpur upazilas. The basic URDEP concept was to organize family groups of five members (father, wife, sons, daughters, etc.); raise their consciousness about their situation and environment; train them to organize with other families into kendras or associations; and select livelihood or trades that could be financed through small loans and to establish into self-employment projects for the beneficiaries. The strategy was to devise organizational, training, and credit practices that were culture-based, simple, personalistic, poor-oriented, corruption-free with the least red tape. Targeted for the poorest families, the URDEP Project has demonstrated capability to perform exceedingly well. The front-line workers are youth group animators, who must go to the unions and villages, walking and bicycling, to service the poor. A youth group animator virtually acts as their banker, business counsellor, motivator, trainer, and liaison man with the creditor-banks. He is supervised by a Branch Manager, who in turn reports to an Area Manager. To date, the two pilot projects have serviced 99 per cent of their targeted number of beneficiaries; disbursed over Tk. 10-million; and achieved 100 per cent performance in total loan recovery and interest earnings. But while there have been constraints and setbacks, URDEP has demonstrated an impressive level of achievements other than the economic/financial and physical results. In post-project surveys, it was noted that the majority of beneficiaries said that they experienced an improved quality of life. All are capable of signing their own names to their savings passbooks, a first experience that is leading to more interest in adult literacy. Women are treated with more respect in the family household as they are now capable of earning and are self-employed. Also for the first time in their lives, women are getting out of the house and attending kendra meetings and making procurement of inputs in the public market. Finally, the sense of self-management has become real as seen in the weekly kendra meetings and group decision-making processes, where women are participating for the first time.

18. Like Grameen Bank in its starting years, the early Self-Employment Credit Scheme of MYS suffered because of an apparent clash in cultures, organizational arrangements, implementation mechanisms, and attitudinal postures practiced by the Project managers and implementors and the traditions of Banks and their personnel. The processing of loans and disbursements of funds were primarily Bank prerogatives, despite the fact that Bank personnel remained in Bank premises at the district offices, while field workers were personally dealing with the beneficiaries, and had first-hand information on their needs and capabilities. Agricultural credit practices (which was based on a tradition of collateral and security) limited the meaning of rural micro-credit. Training was not adequately funded and controlled by URDEP itself. In the project experiences of Grameen Bank and NGO organizations working in poverty alleviation projects, human resource development has proven a key factor in instilling the critical components of orientation, values, knowledge, and skills needed by the loanees to get their projects off the ground and self-sustaining. Likewise, URDEP has recognized the

need to continuously professionalize its staff and delivery services. New institutional arrangements, based on existing cultural practices and actively participated in by the people themselves through self-organized groups, have proven the keys to success. The World Bank, GOB Planning Commission, Bangladesh Institute of Development Studies, and the Bank have agreed that URDEP should be upgraded and its projects replicated in other depressed upazilas. There have been a number of drawbacks and failures of URDEP. Among the more significant ones is its inability to mobilize the desired number of women-beneficiaries, from an original target of 40 per cent it was able to achieve only 28 per cent. It was also noted that a large number of URDEP beneficiaries did not really belong to the category of poorest of the poor. It was surmised that the desire of URDEP management to ensure Project viability contributed to this factor. Likewise the selection of livelihood and trades could stand improvement to ensure that more production-oriented activities are promoted.

MORE POOR-RELATED PROJECTS

19. These kinds of projects tend to dispel certain myths by which development strategies were designed before. For one, there is need for more micro-economic expertise, not alone macroeconomic frameworks. Management implementation, not alone grand thinking and projections, at the lowest level of operations determines whether things can work or not. For another, micro credit is not as complicated as most traditional bankers want us to believe. Take the traditional money-lender. He dominates rural credit by almost 80 to 90 per cent of a country's credit system in the countryside and most of the time he is semi-literate, coming from the school of hard knocks, and runs a very effective, disciplined and credible credit system for the poor, even if his interest rates are usuriously astronomical. Successful projects also show that the youth are not all that materialistic, that many are willing to work with the poor in depressed regions. More interesting is the fact that participation by the poor, through the process of empowerment and training, can overcome strong local elite prejudices and dominance. For the organized poor have shown that they are not unruly, that they can meet their financial obligations, and that they can run their own affairs. It is not the individual, but the family or the group, that can be the starting point for national development.^{1/}

20. More and more poor, micro-type projects are being launched for and by the poor, with the help of donors, demonstrating that they can organize and manage their own affairs. In India, women pavement dwellers in Bombay, have designed and built their own lost-cost houses with the help of the Society for Promotion of Area Resource Centers. In Tanzania, the Community Development Trust Fund has helped a poor village set up their own village clinic. In Kenya, Undugu is assisting Nairobi's "park-your-car" boys to develop a better future, and

^{1/} Fuglesang, Andre ; and Chandler, Dale, "Participation as Process: What We can Learn From Grameen Bank", NORAD, Dhaka, 1988.

self-help schemes provide safe water for poor families. In Sri Lanka, a group of formerly unemployed youths are helping National Builders to reforest denuded lands, using indigenous tree species. In Indonesia, Dian Desa has enabled people to free themselves from the daily trudge to a mountain stream for water. In Zambia, marginal farmers in a drought prone area have worked with the Village Development Foundation to boost agricultural production.^{1/}

SOME POSSIBILITIES EXTENDING FROM THIS CONCEPT: HIGH TECHNOLOGY FOR THE RURAL POOR

21. One possible extension of this Project concept is the maximum use of technology for the most remote villages. It may apparently seem strange, but my contention is that high- technology is most appropriate and most effective for the rural poor. The common notion is that appropriate technology for the poor involves the most basic, sometimes the most primitive, forms of facilities and services. Hence, one occasionally hears that rural villages should not have TV or newspapers or computers or modern hospitals or fully-equipped schools - these facilities are good only for the educated in the cities. It is precisely biases like these that keep the poor poorer, and the rich much richer. Examined closely, one will note that it is mass media - including satellite broadcasting - that can break down physical and geographical barriers like mountains and streams and lack of roads and cars and trains, and reach the very huts of the poor to teach them, to instruct them, to ennoble them, to enrich their lives, to enlighten and brighten their everyday lives, and to bring them knowledge, information, and skills for lifelong sustainability. It is not difficult to discern that whatever the development strategy - whether infrastructure, or political or technological, or economic or social - it is the human condition, the human factor, the human being, that is at the core of any of these strategies. It is for him. Unfortunately, the strategy is often not of or by him.

THE PHILIPPINE CASE

22. How different is the situation here in the Philippines? What is the face of poverty? How can its ugliness be cleared? In the Philippines, the incidence of poverty in the rural areas is from 63 to 69 per cent, and in the urban sector 52 per cent. Another survey has indicated that 35 per cent of Filipino households do not obtain adequate food requirements. Eastern and Central Visayas regions are by far the poorest, followed by Western and Northern Mindanao. As we all know, the most well to do regions are in Luzon. Almost 60 per cent of poor rural families depend on agriculture for their primary income; and of this, a surprising 42 per cent depend mainly on non-agricultural sources of income. A significant facet of poverty in the Philippines is the grossly unequal distribution of income; the top 10 per cent receive almost 40 per cent of the nation's total income, while the bottom 40 per cent get only 15 per cent. Unfortunately, the trend is worsening. The total number

^{1/} De Silva, Donatus, et al., "Against All Odds", Panos Institute, London, 1989.

of poor families are on the rise; real wages and earnings have fallen since 1970; and family incomes in the rural areas remain stagnant compared to those in the cities.

23. Among the most significant reasons for this state of poverty are: (i) depressed prices in the agricultural sector; (ii) low productivity in the industrial sector; (iii) explosive population growth, the highest in Southeast Asia; (iv) limited resources; (v) high unemployment and underemployment; (vi) low wages; and (vii) structural inequities arising from the power elites.^{1/}

TWO CONCRETE PROBLEMS

24. To my mind, two of the most compelling examples of this poverty situation in the Philippines are the plight of the scavengers and the sari-sari stores.^{2/}

25. Whether in Manila, Calcutta, New York, or Rio de Janeiro, there always are scavengers. Their numbers may vary. But they are always there: emerging from the slums or alleys, pushing a hand-made cart, upsetting garbage cans, challenging traffic, and an object of pity and revulsion by many. No one knows really how many there are in Metro Manila. One estimate places them at 2,500 families. Perhaps there are more. What is clear is that they need help - urgently and comprehensively and in ways in which they can actively participate and can arrive at self-empowerment.

26. Take the second case, that of the sari-sari stores. There is no other business enterprise or form that exists in the Philippines today that numbers as many as the sari-sari stores. In every neighborhood, no matter how small, there is such a store. It is a family enterprise, small in space, usually dark with little lighting, containing everyday items needed by poor folks, thriving on credit, and living from day to day. This is another institution of the poor that certainly deserves urgent and much needed help.

WHAT TO DO

27. These are just two examples. There are many more opportunities like the hundreds of jeepney and tricycle drivers, and the street hawkers, vendors, especially the street children. There are also large numbers of hospitality girls. How can they be assisted? Based on my experience in South and East Asian countries and my perception of the Philippines over the past seven years, I take the liberty, with your kind permission, to suggest the following intervention to help the poor.

^{1/} Callanta, Ruth, "Poverty: The Philippine Scenario", BookMark, 1988.

^{2/} Keyes, William, et al., "The Philippine Poor", Institute of Philippine Culture, 1982.

28. This is to suggest the establishment of a People's Foundation on the lines of the Palli Karma-Sahayak Foundation of Bangladesh, initially funded by the Government but chartered as an autonomous body and free to operate as an independent NGO. Its main task is to spearhead in the most depressed and the most deprived baranggays ^{1/} of the Philippines, poverty alleviation projects based on guided self-reliance. Guided because initial technical assistance and advice from appropriate government workers and agencies are needed. But basically self-reliant because the whole principle of the Foundation outreach projects must be based on the beneficiaries themselves working for, of, and by themselves. Its main uniqueness will be the kind of clientele it will service: the most deprived, illiterate, assetless, dysfunctional, and deprived families. Such a Foundation would support the Government Five-Year Plan through a target approach. It would zero in on the most deprived families - clustering them as family groups (father, mother, sons, daughters) of five members each. Then family groups of from 8 to 10 can in turn band together as sitio ^{2/} associations. Like the experience in Bangladesh, all project activities will be rooted to the existing culture, the prevailing social norms, the level of aspirations and capability of the beneficiaries.

29. And what would this Foundation do? Its primary job is training. But training that is action and problem solving in orientation. Such training will utilize modern technology - and will shatter the myth that the poor deserve only traditional (make that primitive) teaching methods and materials. It will field a team of real youth missionaries - carefully selected, oriented, trained, and motivated to work with the poor at the very doorsteps of their nipa huts. Rural banks will be utilized as channeling institutions for credit. Comprehensive and integrated support services will be part of its package.

30. Next to training the poorest of the poor through innovative, non-traditional systems of human resource development, the Foundation will coordinate and network with:

- (1) Training institutions throughout the country which specialize in livelihood projects for the very poor;
- (2) Credit agencies which have programs for such people, and the attitudes, commitment, and innovativeness to try out new social arrangements and institutions;
- (3) Support service institutions which may be provided both by Government and/or NGO organizations - such services like adult literacy, family planning, health and sanitation, reforestation and feeder roads construction, etc.

^{1/} Village.
^{2/} A sub-village.

31. One possibility is a pilot project in Smoky Mountain, Tondō. And perhaps another one in Samar, the most deprived island of the Philippines. The strategy is targeting, micro-planning, and micro-management and very participatory design and implementation. Not academic, theoretical, macro and generalized approaches.

32. In this connection, it is interesting to note that the UNDP Report on Human Development Index suggests this approach, and puts a higher value on human development achievements in countries with a reasonable degree of democracy and a lower value on those with authoritarian governments. The Report proves that high income alone is no guarantee of success. According to this Index, what are the essential components of human life? These are longevity or life expectancy; knowledge or literacy; and basic income needed for decent living. Economists in the 1940s have argued then and now, observes Dr. Mahbub Ul Haq of UNDP, that GNP conceals a great many things. "You can produce a lot of guns and luxury goods, and you can destroy your environment and still have a high GNP." He concludes: "All we are saying is that this Report incorporates human choices other than income, and consequently is a step in the right direction."

33. Indeed, no amount of credit, even at the most reasonable rates, can guarantee higher productivity and better quality of life for the rural poor. For the important aspects of credit has to do with whether it is accessible to the poor. Banking and credit facilities must be brought to the steps of the poor man's hut. It is his right. The other aspect is how to maximize the scarce credit made available to the poor. Likewise, no amount of education and training can guarantee poverty alleviation. The poor themselves must envision in their minds and hearts that they are the solution, that they have it within their ability to achieve a better quality of life.

34. Let me conclude by reminding ourselves that the poor number the most in our society. Yet they do not receive the most benefits from development. The fact that they do not receive the necessary 2,000 calories a day tells us nothing about their pain, anguish and deprivation. At the heart of various economic development theories and strategies, the missing element has been empowerment of the poor. In Bangladesh, in Asia, Africa, and Latin America, this is the lesson we are learning: that the poor must not only be a beneficiary, but himself become the change agent, the trigger for development. For him to assume the role, he must be made aware, made sensitive, to his environment and aided to organize themselves, undergo training, and have access to credit for productive livelihood and enterprise. At every step of this complex process, he must be helped. That help must be sincere, warm, personal, and its presence felt as often as possible. Perhaps in Smoky Mountain and Samar, what has happened in the rural hinterlands of impoverished Bangladesh, can take shape among the poor of the Philippines.

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